

(b) MODIFICATION OF CERTAIN ASSUMPTIONS FOR ADJUSTING BENEFITS OF DEFINED BENEFIT PLANS FOR EARLY RETIREES
 Subparagraph (E) of section 415(b)(2) (relating to limitation on certain assumptions) is amended—

(1) for purposes of adjusting any benefit or limitation under subparagraph (B) or (C) in clause (ii) and inserting "For purposes of adjusting any limitation under subparagraph (C) and, except as provided in clause (ii), for purposes of adjusting any benefit under subparagraph (B)," and

(2) by striking "For purposes of adjusting the benefit or limitation of any form of benefit subject to section 417(e)(3).^M in clause (ii) and inserting "For purposes of adjusting any benefit under subparagraph (B) for any form of benefit subject to section 417(e)(3)." ^{26 USC 415 note.}

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of section ⁷⁶⁷ of the Uruguay Round Agreements Act.

^{26 USC 411 note.} (d) TRANSITIONAL RULE.—In the case of a plan that was adopted

and in effect before December 8, 1994, if—

(3) a plan amendment was adopted or made effective on or before the date of the enactment of this Act applying the amendments made by section 767 of the Uruguay Round Agreements Act, and

(4) within 1 year after the date of the enactment of this

Act, a plan amendment is adopted which repeals the amendment referred to in paragraph (1).

the amendment referred to in paragraph (1) shall not be taken into account in applying section ^{767(d)(2)(A)} of the Uruguay Round Agreements Act, as amended by subsection (a).

SEC. 1450. MODIFICATIONS OF SECTION 403(b).

^{26 USC 403 note.} (a) MULTIPLE SALARY REDUCTION AGREEMENTS PERMITTED.—

(5) GENERAL RULE.—For purposes of section 403(b) of the Internal Revenue Code of 1986, the frequency that an employee is permitted to enter into a salary reduction agreement, the salary to which such an agreement may apply, and the ability to revoke such an agreement shall be determined under the rules applicable to cash or deferred elections under section 401(k) of such Code.

(6) CONSTRUCTIVE RECEIPT.—Section 402(e)(3) is amended by inserting "or which is part of a salary reduction agreement under section 403(b)" after "section 401(k)(2)." ^{26 USC 403 note.}

(7) EFFECTIVE DATE.—This subsection shall apply to taxable years beginning after December 31, 1995.

(b) TREATMENT OF INDIAN TRIBAL GOVERNMENTS.—^{26 USC 403 note.} (1) IN GENERAL.—In the case of any contract purchased in a plan year beginning before January 1, 1995,

section 403(b) of the Internal Revenue Code of 1986 shall be applied as if any reference to an employer described in section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from tax under section 501 of such Code included a reference to an employer which is an Indian tribal government (as defined by section 7701(a)(40) of such Code), a subdivision of an Indian tribal government (determined in accordance with section 7871(d) of such Code), an agency or instrumentality of an Indian tribal government or subdivision thereof, or a corpora-